

IVP Issue Brief

COVID-19 and Regulatory Reporting

Global regulators continue to provide flexibility for institutions during an unprecedented challenge

FINDING THE BALANCE POINT

The global pandemic has significantly impacted the financial ecosystem, its processes and infrastructure. In nearly every jurisdiction, market participants are calling for policy adjustments and relaxation of regulatory requirements given the ongoing economic uncertainty.

Institutions, investors and other stakeholders are adjusting and evolving traditional processes to meet the demands of the new environment. While regulators have been sympathetic to the investment community, striking a balance between relaxing stringent obligations and monitoring risk build-up across markets, a fund's success hinges on its ability to harness digital-first providers in order to accelerate its digital transformation. Here is how key agencies in the US and EU are walking the line between flexibility and oversight.

SEC (United States)

- Registered Investment Companies (RICs) are exempt from filing **N-PORT** and **N-CEN** for 45 days.
- No action will be taken against RICs that have not sent **prospectuses** to investors within the scheduled 45-day window if the delay is caused by the pandemic.
- To protect the interest of investment advisers, RICs, business development companies and private funds may submit a written request for an additional 45 days of leeway to file **Form PF** for both Q1 2020 and the 2019 annual. This provision is also available for the **2019 annual ADV** form.
- RICs have additional flexibility for **liquidity, borrowing and lending** arrangements to alleviate the liquidity crunch caused by the pandemic.
- Firms have an additional 45 days for **13F** filings due on or before July 1st, 2020. These are typically due 45 days after the end of the quarter, so the window is now 90 days.

NFA (United States)

- Commodity Pool Operators (CPOs) have an additional 45 days to file for **Q1 2020**.

ESMA (EU)

- The **short selling regulation (SSR)** threshold has been reduced from 0.2% to 0.1% of total share capital for all jurisdictions.
- Because it may not be practical to record telephone conversations related to transaction and execution required under **MiFID II**, firms should make all possible efforts to restore recordings of these conversations as soon as possible.

Additional Regulators (EU)

- FCA granted two months of relief to firms for filings due before September 30th, 2020

REGULATORY REPORTING FILING CALENDAR – Q3 2020

Here are some important dates to consider for the third quarter of 2020.

Q3 2020 FILING CALENDAR		
Form Name	Type	Q3 2020
AIFMD	Direct Investment AIFs FoF & AIFM	Oct 30 th , 2020 Nov 14 th , 2020
Form PF	Large Liquidity Fund Large Hedge Fund	Oct 15 th , 2020 Nov 29 th , 2020
13 F	Institutional Investment Managers	Nov 16 th , 2020
CPO - PQR	Large commodity Pool Small- Midsize Pools	Nov 30 th , 2020 Nov 30 th , 2020
N - PORT	All registered management investment companies, other than money market funds and SBICs, and by unit investment trusts that operate as exchange-traded funds	Within 60 days of the fiscal quarter's end

KEY TAKEAWAY

The global financial industry is facing unprecedented stress across its business processes and technology infrastructure. Fortunately, regulators understand the current challenges faced by the industry and have responded positively by continuing to provide additional relief measures and deadline flexibility to help institutions successfully meet their reporting obligations. Looking ahead, we are cautiously optimistic that this course of action taken by regulators will persist until there is a timetable for a return to normalcy.

HOW IVP CAN HELP

Fund managers, no matter the size, hold the power to propel themselves forward during uncertain times by accelerating their digital transformation. IVP clients that embraced a digital transformation of their regulatory processes prior to COVID-19 have been less impacted due to the automation and agility that Raptor, IVP's regulatory reporting platform, provides. During this time, funds have noted little to no impact on their regulatory reporting timelines due to automation to the "last mile," the ability to easily change thresholds and configurations, and the increased bandwidth allowed by IVP Managed Services.

IVP Raptor helps buy-side managers comply with regulatory mandates in more than **50 jurisdictions**. It covers periodic filings, threshold disclosures and daily transaction reporting. Covered mandates include **Form PF, Annex IV, CPO, Opera, UCITS, SSR, MiFID, EMIR, SFDR and CAT**, among many others. The platform can automate up to **85%** of periodic filings and virtually **100%** of disclosures and transaction reporting. It also features configurable rules that are designed to help managers swiftly incorporate and monitor regulatory changes. When combined with the "white glove" experience of IVP Managed Services, which eliminates the burden of monitoring exceptions, IVP Raptor significantly streamlines filings for transaction-driven mandates and disclosures on both short selling and substantial shareholding.

To learn more about IVP Raptor please contact us at:

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